April 11, 2006

Board of Governors of the
 Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, DC 20551

Attention: Ms. Jennifer J. Johnson, Secretary

Sent by E-Mail to: regs.comments@federalreserve.gov

Re: Docket No. OP-1248

Dear Ms. Johnson:

I am writing in response to the proposed interagency guidance entitled "Concentrations in Commercial Real Estate Lending, Sound Risk Management Practices," issued on January 13, 2006, by the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of Thrift Supervision (collectively, the "Agencies").

Commercial real estate lending is an important element in the economy of Illinois and in particular the Chicago area. Delaware Place Bank has a diverse portfolio of real estate loans ranging from lot acquisition, single family construction, condominium conversion and condominium construction. We do not disagree with the need for sound management and supervising guidance in this area, however, the general, blanket approach provided in the proposed guidance leaves too much to the discretion of the examination staff.

The proposed guidance contains language that is vague and burdensome, especially for smaller institutions. We are concerned with the application of the proposal without regard to the individual institutions' history, management and control practices.

Another area of concern is the issue of capital; the proposal indicates "that institutions should hold capital commensurate with the level and nature of the risk to which they are exposed." Without more structure, well-defined guidelines, capital management will be significantly more onerous.

It appears that the proposal has as its major purpose the reduction in commercial real estate lending. If this perceived outcome becomes reality, the impact on the economy will be devastating.

I thank you for your consideration of these comments.

Sincerely,

Theodore J. Aldrich
President and
Chief Operating Officer

TJA:mks